



CDIAC RELEASES 2002 CALIFORNIA PUBLIC BOND ISSUANCE REVIEW

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The *California Debt and Investment Advisory Commission (CDIAC) 2002 Annual Report* summarizes bond issuance for the State and local governments. Information contained in the report includes a comparison of the total amount of public financings in 2002 and 2001, the purpose of bond issuance, long-term versus short-term bond issuance, refunding bond issuance, and Mello-Roos financings. The report also provides information on outstanding general obligation (GO) bond levels for 1999-00, the most recent year such information is available, and a summary of CDIAC activities including data collection, technical assistance, seminars, and publications.

Comparison of Public Financings in 2002 and 2001

There were 2,065 reported issuances in 2002, an increase of only 2.5 percent over the 2,014 reported issues in 2001. However, the dollar volume of issuance for the State and local agencies totaled \$77.3 billion in 2002, an increase of 70.7 percent over the \$45.3 billion issued in 2001. State government issuance increased 205.3 percent, from \$13.4 billion issued in 2001 to almost \$41 billion in 2002. This increase is attributed to the issuance of \$13 billion in public enterprise revenue bonds for the State's Power Supply Program (\$11.3 billion) and for water purposes (\$1.7 billion). Another cause for the considerable increase is the issuance of \$20.0 billion in notes: \$12.5 billion in revenue anticipation notes and \$7.5 billion in revenue anticipation warrants to assist in the State's cash flow management program for the 2001-02 and 2002-03 fiscal years. The breakdown of public issuance for 2002 is as follows: bonds (60 percent, \$46.4 billion), notes (35 percent, \$27.0 billion), certificates of participation (4.6 percent, \$3.6 billion), commercial paper (0.4 percent, \$281 million), and other (0.03 percent, \$22 million).¹

Comparison of Public Financings 2002 and 2001 (Dollars in Millions)

Financing Type	2002		2001	
	Amount	Percent of Total Issuance	Amount	Percent of Total Issuance
Bonds	\$46,410	60.00%	\$29,350	64.80%
Notes	27,044	35.00	11,730	25.90
Certificates of Participation	3,591	4.60	3,444	7.60
Commercial Paper	281	0.40	770	1.70
Other	22	0.03	6	0.01
Total	\$77,348	100.00%	\$45,299	100.00%

Purpose of Bond Issuance

Of the \$77.3 billion in bonds sold by the State and local agencies in 2002, capital improvements and public works accounted for 34.7 percent (\$26.8 billion). Interim financing, education, and housing represented 34.3 percent (\$26.5 billion), 16.2 percent (\$12.6 billion), and 6.7 percent (\$5.2 billion), respectively. Redevelopment, hospital and health care, commercial and industrial development, and other purposes, such as tobacco securitization, environmental abatement, and a clean water revolving fund, combined accounted for 8.2 percent (\$6.3 billion) of the total public issuance.

¹ Calculations of differences and percentages are based upon exact numbers; therefore, individual numbers shown above may not sum to totals due to independent rounding.